REMARKS

By the present Amendment, Applicants amend claims 1, 17, and 57 to more appropriately define the present invention. Support for the amendment can be found in the specification, for example, at page 98, lines 19-23, and at page 107, lines 9-12. Claims 1-11, 15-22 and 57 are pending and under examination.

In the Office Action, the Examiner rejected claim 57 under 35 U.S.C. § 102(b) as anticipated by U.S. Patent No. 5,671,412 ("Christiano"). The Examiner also rejected claims 1-11 and 15-17 under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent No. 5,768,382 ("Schneier et al.") in view of Christiano. Finally, the Examiner rejected claims 18-22 under 35 U.S.C. § 103(a) as unpatentable over Christiano in view of Schneier et al., and further in view of U.S. Patent No. 5,590,288 ("Castor et al.").

Applicants respectfully traverse the rejection of claim 57 under 35 U.S.C. §102(b). A claim is anticipated only if each and every element set forth in the claim is either expressly or inherently described in a single prior art reference. M.P.E.P. § 2131.

Claim 57 recites a data processing method including, for example, the steps of determining at least one of a purchase mode and a usage mode of the content data based on a handling policy, creating log data, creating usage control status data, monitoring the usage control policy data and usage control status data, controlling the use of the content data, recording the content data, and encrypting the content key data and the usage control status data.

<u>Christiano</u> fails to, expressly or inherently, disclose the data processing method of claim 57. Specifically, <u>Christiano</u>'s data management method does not create usage control status data based on a purchase mode and does not monitor the usage control

policy data and the usage control status data. Rather, as Applicants noted previously, Christiano only checks the status. Nowhere in Christiano discloses a status data output, which later uses by the main processing unit to determine how the content data should be distributed to a user.

In addition, <u>Christiano</u> does not disclose a status data that contains a content identification, a purchase mode, an identification for the tamper-resistant circuit module, and a user identification, as recited in claim 57. Although <u>Christiano</u> discloses certain identification information such as the content identification for the content data and the identification of the user, this information exists in a <u>license request</u> from the user computer system, i.e., a message sent by a client, before it reaches the license server. <u>See</u> col. 10, lines 25-31, <u>see also</u>, Figure 3 of <u>Christiano</u>. <u>Christiano</u> thus does not disclose the existence of such identification information in a status data generated by the arithmetic processing circuit as claimed.

Since <u>Christiano</u> does not disclose each and every element of Applicants' amended claim 57, <u>Christiano</u> does not anticipate claim 57. Therefore, Applicants respectfully submit that claim 57 is patentable over <u>Christiano</u>. Accordingly, Applicants requests the Examiner reconsider and withdraw the 35 U.S.C. § 102 rejection.

Applicants respectfully traverse the rejection of claims 1-11 and 15-17 under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent No. 5,768382 ("Schneier et al.") in view of Christiano and the rejection of claims 18-22 under 35 U.S.C. § 103(a) as unpatentable over Christiano in view of Schneier et al., and further in view U.S. Patent No. 5,590,288 ("Castor et al.").

The references relied upon by the Examiner, even if combined as suggested by the Examiner, fail to teach or suggest the subject matter of the amended claims. As indicated above, Applicants have amended independent claims 1 and 17 to recite "an usage monitor" that monitors the usage control policy data and the usage control status data to ensure that the content data is properly purchased and used based on, for example, the user's particular license. Applicants submit that none of the references cited by the Examiner disclose at least this claimed subject matter. The references thus fail to teach or suggest each and every element and limitation recited in the claims, as required to establish a *prima facie* case of obviousness. Therefore, Applicants respectfully submit that claims 1 and 17 are patentable over Christiano, Schneier et al., and Castor et al., as are claims 2-16 and 18 to 22, at least by virtue of their respective

In view of the foregoing amendments and remarks, Applicant respectfully requests reconsideration and reexamination of this application and a timely allowance of the pending claims. Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

dependence from allowable independent claims 1 and 17.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, L.L.P.

Dated: November 4, 2005

Daniel X. Yan

Reg. No√54,55